

SENATE FILE 2093

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A BILL FOR

1 An Act providing for standardized provisions and format and a
2 consumer guide for long-term care insurance policies and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 514G.105, Code 2009, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 5A. *Standard provisions and format.*

4 a. The commissioner shall adopt rules establishing standard
5 provisions for terms and benefits required to be included in a
6 long-term care insurance policy advertised, marketed, offered,
7 delivered, or issued for delivery in this state. The rules
8 shall establish a standard format for such long-term care
9 insurance policies to facilitate ease of comparison of the
10 various policies by consumers.

11 b. The commissioner shall review each policy of long-term
12 care insurance prior to the policy being advertised, marketed,
13 offered, delivered, or issued for delivery in this state to
14 ensure that the policy complies with the requirements of this
15 subsection and rules adopted pursuant to this subsection.

16 NEW SUBSECTION. 7A. *Consumer guide.*

17 a. A consumer guide, as prescribed by the commissioner
18 by rule, shall be delivered to a prospective applicant
19 for long-term care insurance at the time of the initial
20 solicitation for coverage.

21 (1) In the case of producer solicitations, a producer shall
22 deliver the consumer guide to a prospective applicant prior to
23 the presentation of an application or enrollment form.

24 (2) In the case of direct response solicitations, the
25 consumer guide shall be presented in conjunction with any
26 application or enrollment form.

27 (3) In the case of a policy issued to a group as described
28 in section 514G.103, subsection 9, paragraph "a", a consumer
29 guide is not required to be delivered to the applicant,
30 provided that the information described in paragraph "b" of this
31 subsection is contained in other enrollment materials provided.
32 Upon request such other enrollment materials shall be made
33 available to the commissioner.

34 b. The consumer guide shall include a description of the
35 standard terms, benefits, and format required for a long-term

1 care insurance policy in this state. The commissioner of
2 insurance may by reference adopt or permit the use of the
3 long-term care insurance consumer guide developed by the
4 national association of insurance commissioners, the blue
5 cross and blue shield association, or the health insurance
6 association of America, provided that the consumer guide that
7 is adopted or permitted to be used by reference meets all of
8 the requirements of this subsection.

9 Sec. 2. APPLICABILITY. This Act applies to long-term care
10 insurance policies advertised, marketed, offered, delivered, or
11 issued for delivery in this state on or after July 1, 2010.

12 EXPLANATION

13 This bill requires the commissioner of insurance to adopt
14 rules establishing standard provisions for terms and benefits
15 required to be included in a long-term care insurance policy
16 advertised, marketed, offered, delivered, or issued for
17 delivery in this state. The rules must establish a standard
18 format for such policies so that consumers can easily compare
19 the various policies offered. The commissioner is required to
20 review each policy of long-term care insurance to ensure that
21 the policy complies with these requirements.

22 The bill also requires the commissioner to adopt rules
23 concerning a consumer guide to be delivered to prospective
24 applicants for long-term care insurance at the time of
25 solicitation, application, or enrollment. The guide must
26 include a description of the required standard terms, benefits,
27 and format in long-term care insurance policies in this state.
28 The commissioner may by reference adopt or permit the use
29 of a consumer guide developed by the national association
30 of insurance commissioners, the blue cross and blue shield
31 association, or the health insurance association of America, so
32 long as the guide meets all the requirements of the bill.

33 The bill is applicable to long-term care insurance policies
34 advertised, marketed, offered, delivered, or issued for
35 delivery in this state on or after July 1, 2010.